

Appeal Brief Under 37 C.F.R. § 41.37
Paper Dated: June 25, 2008
Application No. 10/047,366
Attorney Docket No. 3633-012217

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application No. : 10/047,366 Confirmation No. 5072
Applicant : DONALD R. FRALIC
Filed : 1/14/2002
Title : METHOD OF ON-LINE AUCTIONING FOR
LEASES
Group Art Unit : 3696
Examiner : Gerald C. Vizvary
Customer No. : 28289

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P. O. Box 1450
Alexandria, VA 22313-1450

APPEAL BRIEF UNDER 37 C.F.R. § 41.37

Dear Sir:

This Appeal Brief is submitted in support of the Notice of Appeal filed
March 25, 2008.

I hereby certify that this correspondence is being electronically submitted to the United States Patent and Trademark Office on the date set forth below.	
_____ Lisa Engel (Name of Person Mailing Paper)	
_____ Signature	06/25/2008 Date

(1) REAL PARTY OF INTEREST

The real party of interest in this Appeal is the inventor, Donald R. Fralic.

(2) RELATED APPEALS AND INTERFERENCES

None.

(3) STATUS OF THE CLAIMS

Claims 1-3 and 5 are pending and stand rejected. Claim 4 has been cancelled. Claims 1-3 and 5 are appealed.

(4) STATUS OF AMENDMENTS

An amendment was filed on May 20, 2008 to correct a minor typographical error in claim 1.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

Independent claim 1 generally recites a lease auction method. The method includes: (a) providing to at least one lessor's computer via a computer network (paragraph 49, lines 5-7; Fig. 1, step 28) a first plurality of lessee entered qualitative lessor variables (paragraph 25 (all); Fig. 1, step 14) and a first plurality of lessee entered quantitative lessor data (paragraphs 28-39 (all); Fig. 1, step 18) regarding a lease input at a lessee's computer (paragraph 28 (all) and paragraph 39 (all)); (b) receiving from each lessor's computer via the computer network a second plurality of lessor entered qualitative lessor variables (paragraph 52, lines 2-5; Fig. 1, step 42) and a second plurality of lessor entered quantitative lessor data (paragraph 50, lines 5-7; Fig. 1, step 36) regarding the lease; (c) receiving from the lessee's computer via the computer network for at least one of the lessor entered qualitative lessor variables for each lessor at least one of a grade and a relative weight related to an importance of the at least one lessor entered qualitative lessor variable to the lessee (paragraph 52, lines 5-7; Fig. 1, step 42); (d) for each lessor, processing the at least one of the grade and the relative weight received for the at least one lessor entered qualitative lessor variable and the lessor entered quantitative lessor data to determine a weighted total score (paragraph 44; Fig. 6, reference no. 274; paragraph 52, lines 11-14; Fig. 1, step 42); (e) ranking the weighted total scores (paragraphs 53-56; Fig. 1, step 44); (f) displaying the ranked weighted total

scores on the lessee's computer and each lessor's computer via the computer network (paragraph 57, lines 3-10; Fig. 1, step 44); and (g) repeating steps (c) through (f) each time a change of at least one of the lessor entered qualitative lessor variables or at least one of the lessor entered quantitative lessor data is received from at least one of the lessor's computers via the computer network (paragraphs 58-60 (all)), wherein the lessor entered qualitative lessor variables and the lessee entered qualitative lessor variables each include at least one of the following: lessor's lease documents; lessor's reputation; lessor's knowledge of the item being leased; lessor's status as a private or public entity; and whether the lessor is also a vendor (paragraph 4; and originally filed claim 4).

(6) GROUND(S) OF REJECTION TO BE REVIEWED ON APPEAL

Are claims 1-3 and 5 obvious under 35 U.S.C. § 103(a) over U.S. Patent No. 5,924,082 to Silverman et al. in view of U.S. Patent No. 6,237,009 to Waldo et al.?

(7) ARGUMENT

In accordance with 37 C.F.R. § 41.37(c)(vii), it is respectfully requested that the patentability of each claim argued separately be considered separately.

Claim 1:

Step (a) of claim 1 generally recites that qualitative and quantitative information entered by a lessee is provided to at least one lessor's computer via a computer network. Step (b) of claim 1 generally recites that qualitative and quantitative information entered by a lessor is received from each lessor's computer via the computer network. Thus, in steps (a) and (b) of claim 1, qualitative and quantitative information is provided to at least one lessor's computer and is received from each lessor's computer. Step (c) of claim 1 generally recites that a grade and/or a relative weight is received from the lessee's computer for at least one of the qualitative information entered by the lessor. Step (d) of claim 1 generally recites that the grade and/or relative weight received for qualitative information entered by the lessor and the quantitative information entered by the lessor are processed to determine a weighted total score. Steps (e) and (f) of claim 1 generally recite that the weighted total scores are ranked and displayed on the lessee's computer and each lessor's computer via the computer network. Step (g) of claim 1 generally recites that steps (c)

through (f) are repeated each time a change of qualitative or quantitative lessor information is received from at least one of the lessor's computer via the computer network. The qualitative information entered by each lessor and the lessee include at least one of the following: lessor's lease documents; lessor's reputation; lessor's knowledge of the item being leased; lessor's status as a private or public entity; and whether the lessor is also a vendor.

The Silverman et al. patent, which is generally directed to a trading system - not a method of on-line auctioning for leases, does not disclose, teach or suggest the combination of providing qualitative and quantitative information entered by a lessee to a lessor's computer; receiving qualitative and quantitative information entered by a lessor at a lessor's computer; and receiving a grade and/or a relative weight from the lessee's computer for at least one of the qualitative information entered by a lessor.

Rather, Fig. 3 and the corresponding description of the Silverman et al. patent disclose that ranking information (a noun) is entered by each party to a transaction to indicate the party's willingness to trade with other parties. However, the Silverman et al. patent does not disclose, teach or suggest that ranking information (a noun) entered by one counterparty is assigned a grade or relative weight by another party as is expressly required of claim 1. Rather, the ranking information in the Silverman et al. patent is utilized to identify acceptable counterparties to a transaction. The Silverman et al. patent, however, does not disclose, teach or suggest any reason for one counterparty to a transaction to assign a grade or relative weight to ranking information entered by another counterparty to a transaction. To this end, as best understood, the Silverman et al. patent utilizes the ranking information to simply match acceptable counterparties to a transaction without any further use of this ranking information in the interactive manner of steps (a)-(c) of claim 1.

In the detailed rejection of step (e) of claim 1, the Examiner refers to column 7, line 16-17 of the Silverman et al. patent for disclosing the ranking of weighted total scores. However, the ranking of column 7, line 16-17 of the Silverman et al. patent is analogous to the weighted total scores of step (d) of claim 1, not the ranking thereof. To this end, the word ranking in step (e) of claim 1 and in the Silverman et al. patent have different

meanings. Namely, “ranking” in step (e) of claim 1 is a verb, whereas “ranking information” in column 7, lines 16-17 of the Silverman et al. patent is a noun.

In the detailed rejection of step (f) of claim 1, the Examiner alleges that column 4, lines 50-55 of the Silverman et al. patent discloses displaying the ranked weighted total scores. The phrase “ranking data” in this section of the Silverman et al. patent, however, is utilized as a noun, whereas in the context of claim 1, words such as “ranking” and “ranked” are utilized as verbs. Moreover, column 4, lines 50-55 of the Silverman et al. patent, discloses utilizing “ranking data” as a filter for the bids and offers to be displayed to individual users. However, the Silverman et al. patent does not disclose ranked weighted total scores. Accordingly, there can be no disclosure of displaying ranked weighted total scores as is required of step (f) of claim 1.

In the rejection of claim 1, the Examiner relies upon the Silverman et al. patent as the primary reference and relies upon the Waldo et al. patent for its disclosing a method of managing leases between clients and network services. The Waldo et al. patent, which is generally directed to a lease renewal service, does not cure the foregoing deficiencies in the teachings of the Silverman et al. patent. Moreover, there is no disclosure, teaching or suggestion in the Silverman et al. and Waldo et al. patents, either individually or in combination, to combine them in the manner suggested by the Examiner. To this end, it is not clear how one would modify the negotiated matching system utilized for trades of the Silverman et al. patent with a lease renewal service of the type disclosed in the Waldo et al. patent. Accordingly, the Silverman et al. and Waldo patents, either individually or in combination, cannot render obvious claim 1, or claims 2, 3 and 5 dependent therefrom.

Claim 2:

Claim 2 depends from claim 1 and recites further steps of the method of claim 1. These further steps generally include: receiving from the lessee’s computer a third plurality of qualitative and quantitative lessor information entered by the lessee; processing the third plurality of lessee entered qualitative and quantitative information to obtain a first lease simulation outcome; displaying the first lease simulation outcome on the lessee’s computer; receiving a fourth plurality of lessee entered qualitative and quantitative

information from the lessee's computer; processing at least one of the fourth plurality of lessee entered qualitative and quantitative information to obtain a second lease simulation outcome; displaying the second lease simulation outcome on the lessee's computer; and providing to the at least one lessor's computer in step (a) of claim 1, as the first plurality of lessee entered qualitative and quantitative information, the third or fourth plurality of lessee entered qualitative or quantitative lessor information, respectively, based on the first or second lease simulation outcome provided to the lessee's computer via the computer network.

The Silverman et al. patent is directed to enabling counterparties to match offers and bids in an automated trading system. Because of the nature of such offers and bids, there is simply no reason to determine or obtain two simulation outcomes and then provide qualitative and quantitative information of one of these simulation outcomes as the qualitative and quantitative information to be utilized elsewhere, e.g., in step (a) of claim 1. To this end, it is not clear from the Silverman et al. patent how one would use offers and bids to produce a simulation outcome or how offers and bids comprise qualitative (not quantitative) information. To this end, the only subjective (qualitative) information disclosed in the Silverman et al. patent is the ranking information. However, this ranking information is only utilized as a prescreening mechanism to identify acceptable counterparties to a transaction. It is not used thereafter in the interactive manner of the qualitative and quantitative information of claim 2. Moreover, it should be appreciated that in claim 2, the third and fourth pluralities of qualitative and quantitative information are both entered by the lessee. Hence, the interaction between the counterparties disclosed in the Silverman et al. patent is not required to accomplish the steps of claim 2.

The Waldo et al. patent does not cure the foregoing deficiencies in the teachings of the Silverman et al. patent.

Accordingly, the Silverman et al. and Waldo et al. patents, either individually or in combination, cannot render obvious claim 2 of the present application, or claim 3 dependent therefrom.

Claim 5:

Claim 5 depends from claim 1 and recites that the qualitative information entered by the lessor or the lessee includes at least one of the following: borrowing rate; term of lease; estimated lease payments; total net present value (NPV); acquisition cost; and ratio of total NPV divided by acquisition costs.

In rejecting claim 5, the Examiner refers to column 9, lines 61-64; column 12, lines 10-13; and column 12, lines 21-25 of the Silverman et al. patent for disclosing borrowing rate; term of lease; and ratio of total NPV divided by acquisition cost, respectively.

Column 9, lines 59-64 of the Silverman et al. patent disclose that ranking information entered by each user may be different for each type of instrument (each market). The different markets for which different ranking information may be entered include: forward foreign exchange trading, lending, forward rate agreements, interest rate swaps, etc. However, these markets are not quantitative data in the sense of claim 5. Rather, they are markets to which the ranking information disclosed in the Silverman et al. patent may be applied. For example, a user's rank of a counterparty for lending purposes (one market) may be different from the rank for borrowing purposes (another market) (see Silverman et al., column 9, line 66 – column 7, line 1).

Column 12, lines 10-13 of the Silverman et al. patent disclose a so-called “completion” stage of the operation, wherein the terms of the transaction are finalized through negotiations between the matched potential counterparties. There is, however, no disclosure, teaching or suggestion of a “term of lease” as alleged by the Examiner. To this end, the Silverman et al. patent is related to bids and offers. There is no indication in the Silverman et al. patent that bids and offers have a term (duration) associated with them in the same sense as the term of lease (duration of lease) in claim 5.

Column 12, lines 21-25 of the Silverman et al. patent disclose that transaction dates and instrument price can be firm, meaning that they are no longer negotiable between potential counterparties. This section of the Silverman et al. patent, however, does not distinguish between net present value (NPV) and acquisition costs. To this end, while this

section of the Silverman et al. patent may disclose that an instrument price is firm, it does not distinguish between NPV and acquisition cost in order to form a ratio thereof.

The Waldo et al. patent does not cure the foregoing deficiencies in the teachings of the Silverman et al. patent.

Accordingly, the Silverman et al. and Waldo et al. patents, either individually or in combination, cannot render obvious claim 5.

Appeal Brief Under 37 C.F.R. § 41.37
Paper Dated: June 25, 2008
Application No. 10/047,366
Attorney Docket No. 3633-012217

CONCLUSION

For the foregoing reasons, it is respectfully urged that the outstanding rejection on the merits be reversed and a Notice of Allowance issued.

A fee of \$255.00 to cover the 37 C.F.R. § 41.20(b)(2) small entity fee for filing an appeal brief under 37 C.F.R. § 41.37 is being charged to the credit card of Applicant's representative.

The Commissioner of Patents is hereby authorized to charge any additional fees which may be required or refund any overpayment to Deposit Account Number 23-0650.

Respectfully submitted,

THE WEBB LAW FIRM

By Randall A. Notzen
Randall A. Notzen
Registration No. 36,882
Attorney for Appellant
436 Seventh Avenue
700 Koppers Building
Pittsburgh, PA 15219
Telephone: (412) 471-8815
Facsimile: (412) 471-4094
E-mail: webblaw@webblaw.com

(8) CLAIM APPENDIX

1. A lease auction method comprising the steps of:

(a) providing to at least one lessor's computer via a computer network a first plurality of lessee entered qualitative lessor variables and a first plurality of lessee entered quantitative lessor data regarding a lease input at a lessee's computer;

(b) receiving from each lessor's computer via the computer network a second plurality of lessor entered qualitative lessor variables and a second plurality of lessor entered quantitative lessor data regarding the lease;

(c) receiving from the lessee's computer via the computer network for at least one of the lessor entered qualitative lessor variables for each lessor at least one of a grade and a relative weight related to an importance of the at least one lessor entered qualitative lessor variable to the lessee;

(d) for each lessor, processing the at least one of the grade and the relative weight received for the at least one lessor entered qualitative lessor variable and the lessor entered quantitative lessor data to determine a weighted total score;

(e) ranking the weighted total scores;

(f) displaying the ranked weighted total scores on the lessee's computer and each lessor's computer via the computer network; and

(g) repeating steps (c) through (f) each time a change of at least one of the lessor entered qualitative lessor variables or at least one of the lessor entered quantitative lessor data is received from at least one of the lessor's computers via the computer network, wherein the lessor entered qualitative lessor variables and the lessee entered qualitative lessor variables each include at least one of the following: lessor's lease documents; lessor's reputation; lessor's knowledge of the item being leased; lessor's status as a private or public entity; and whether the lessor is also a vendor.

2. The lease auction method as set forth in claim 1, further including the steps of:

receiving from the lessee's computer via the computer network a third plurality of lessee entered qualitative lessor variables and a third plurality of lessee entered quantitative lessor data;

processing the third plurality of lessee entered qualitative lessor variables and the third plurality of lessee entered quantitative lessor data to obtain a first lease simulation outcome;

displaying the first lease simulation outcome on the lessee's computer via the computer network;

receiving from the lessee's computer via the computer network at least one of a fourth plurality of lessee entered qualitative lessor variables and a fourth plurality of lessee entered quantitative lessor data;

processing the at least one of the fourth plurality of lessee entered qualitative lessor variables and the fourth plurality of lessee entered quantitative lessor data to obtain a second lease simulation outcome;

displaying the second lease simulation outcome on the lessee's computer via the computer network; and

providing to the at least one lessor's computer in step (a), as the first plurality of lessee entered qualitative lessor variables and the first plurality of lessee entered quantitative lessor data, the third or fourth plurality of lessee entered qualitative lessor variables and the corresponding third or fourth plurality of lessee entered quantitative lessor data, respectively, based on the first or second lease simulation outcome provided to the lessee's computer via the computer network.

3. The lease auction method as set forth in claim 2, further including the steps of:

commencing the auction after completing one or more lease simulations; and
terminating the auction at one of (i) a predetermined time and (ii) after expiration of a predetermined interval.

5. The lease auction method as set forth in claim 1, wherein the lessor entered quantitative lessor data and the lessee entered quantitative lessor data each include at least one of the following:

borrowing rate;
term of lease;
estimated lease payments;

total net present value (NPV);
acquisition cost; and
ratio of total NPV divided by acquisition cost.

Appeal Brief Under 37 C.F.R. § 41.37
Paper Dated: June 25, 2008
Application No. 10/047,366
Attorney Docket No. 3633-012217

(9) EVIDENCE APPENDIX
NONE

Appeal Brief Under 37 C.F.R. § 41.37
Paper Dated: June 25, 2008
Application No. 10/047,366
Attorney Docket No. 3633-012217

(10) RELATED PROCEEDINGS APPENDIX

NONE